



# ○Public Procurement in Macedonia





# Legislation

- Many different procedures adjusted to the value and complexity of the procurement
- Analysis of the functioning of the procurement system and appropriate adjustments
- Open communication with both public and private sectors through different tools





# Legislation

- During the first years our main focus was on the legal framework
- Now we are more focused in ensuring smooth and correct application of the regulations in practice
- Comprehensive and well structured legal framework
- Introduction of good practice for aspects not regulated by EU law
- Equal treatment of all economic operators – no discrimination nor preferences





# Legislation

## ○ Objectives:

- Harmonization of national public procurement regulations with EU
- Modern public procurement law
- Flexibility of the legal framework – constant improvements and adjustments
- Pro-active development of the national legal framework and introduction of new features





# Legislation

- Stabilization and Association Agreement with the EU
  - Requirements for harmonization of the national legal framework with EU regulations
  - Equal treatment of companies from EU in Macedonia and vice versa
- The Law on Public Procurement from 2007 achieves this objective





# Legislation



Republic of Macedonia  
Ministry of Finance  
Public Procurement Bureau

- PPB has taken significant steps to strengthen its institutional capacity in the past period
- PPB owns the ESPP and has successfully managed the upgrade process over the years
- It provides full support to contracting authorities and economic operators (contact center, website)





# Legislation



Republic of Macedonia  
Ministry of Finance  
Public Procurement Bureau

- Mandatory certification of procurement officers
  - Network of trainers established by PPB
  - Comprehensive training program for five days
  - Quality control mechanisms
- Recertification of procurement officers and trainers
- 48 trainings were carried out in 2012 with total of 1,023 people trained





# ***E-PROCUREMENT SYSTEM IN MACEDONIA***

***- E-GOVERNMENT  
APPLICATION WITH AN  
IMPACT -***







# FUNCTIONALITIES AND MAIN ASPECTS OF THE SYSTEM (1)



Republic of Macedonia  
Ministry of Finance  
Public Procurement Bureau

- **Web-based** - simple and user-friendly system
- **Centralized system** – one location for all e- procurement transactions in Macedonia
- **Aligned** with the IDABC Functional Requirements (23 out of 26)
- Enables conducting the **entire** public procurement procedure electronically (open call, restricted, simplified)
- Enables **electronic communication** between contracting authorities and domestic and foreign economic operators
- **Eliminates paper work** thus ensuring efficiency and cost-effectiveness of the contract award procedures





# FUNCTIONALITIES AND MAIN ASPECTS OF THE SYSTEM (2)

- **Publication** of the all different notices (CN, CAN, cancelation notice, technical dialog, negative reference)
- **Mandatory** publication on tender documentation when conducting e-procurement, optional when procurement is in paper (> 50 %)
- **Subscribe for INFO** on new Contract Notices published
- **Free download** of tender documentation (only registered EO)
- Posting **questions** and **answers**





# FUNCTIONALITIES AND MAIN ASPECTS OF THE SYSTEM (3)



Republic of Macedonia  
Ministry of Finance  
Public Procurement Bureau

- **Online submission** of tenders/requests to participate (financial and technical offer must be digitally signed)
- **Public opening** and **evaluation** of tenders
- Selection of the most favorable tenderer, **winner announcement** and notification to all tenderers
- **Electronic Auctions – Lowest price or MEAT**
- Generation of different **statistical reports**
- Maintaining of electronic **Tender Dossier**
- Wide use of **digital signatures**

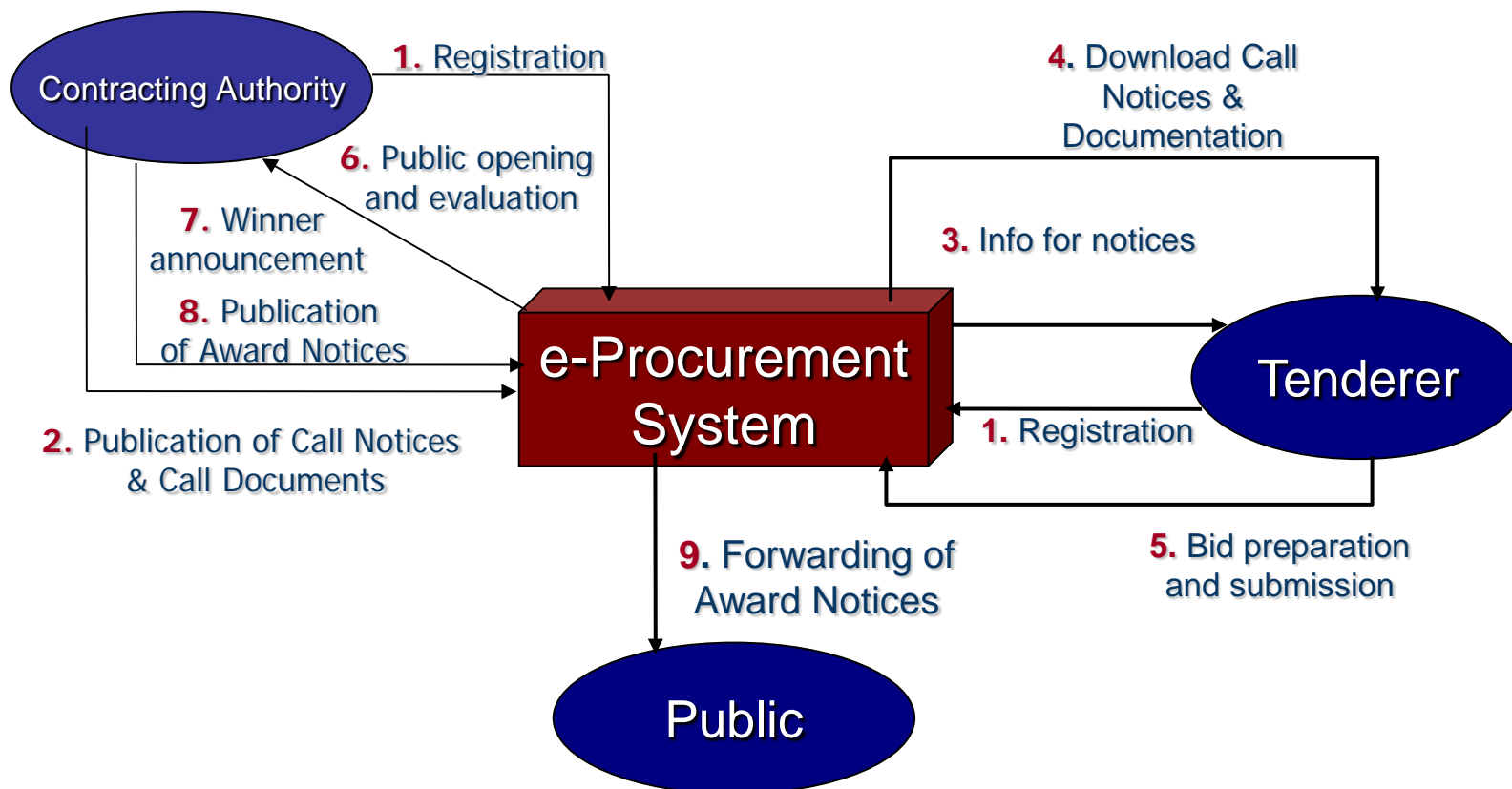




# FLOW OF THE E-PROCUREMENT PROCESS



Republic of Macedonia  
Ministry of Finance  
Public Procurement Bureau





# USERS OF THE SYSTEM

- **Public Procurement Bureau** – maintain, improve, upgrade, promote and monitor of e-Procurement system
- **Contracting Authorities** – All state Institutions and Public enterprises
- **Economic Operators** – all interested companies
- **State Appeal Commission**
- **State Audit Office**
- **Public** – wide public information accessible





# E-AUCTIONS DEFINED (1)



Republic of Macedonia  
Ministry of Finance  
Public Procurement Bureau

**Electronic auctions** – last phase in the open, restricted and simplified procedure, used in framework agreements (mini tenders)

- Only bidders with acceptable offers are invited
- Conducted after the evaluation of bids and before awarding the contract
- Can be used both in paper-form and in electronic procedures
- E-auction  $\neq$  intellectual services such as designing and other specific subject of procurement
- Phases of the obligatory usage – from 2012 CA's are obliged to use **electronic auction in 100% of CN**





# E-AUCTIONS DEFINED (2)



Republic of Macedonia  
Ministry of Finance  
Public Procurement Bureau

Two concepts for performing e-Auctions in Macedonia – lowest price and MEAT

- E-auction when criteria is **lowest price** – bidders are decreasing the initial lowest price
- E-auction when **MEAT criteria**- the bidders are decreasing their OWN price – the winner is the one with the highest number of points. The points for the other elements are given before starting of the auction and during the auction the rank of the bidders is calculated by formula (including all variables)



- **1.400** registered Contracting Authorities (100% of all CA's)
- Over **6.500** registered Economic Operators (domestic and foreign)
- **11.993** Published Contract Notices on ESPP in 2012
- **11.621** auctions were carried out in 2012, or around 70 per day
- **1.978** procedure were conducted fully electronically in 2012, around 20% of procedures, 1600 visitors daily (working days)
- Average savings per procedure when using e-auctions **up to 13%** compared to the lowest price submitted in the pre-qualification phase





- Real benefits
  - **For public institutions** - Increased *transparency* and *efficiency* - significant money savings, time savings when processing and evaluating the bids, more efficient and standardized work procedures, expanded supplier base
  - **For private sector** - Increased *competition* and *new business opportunities* to become government suppliers, potential for corruption significantly reduced, increased confidence in the public procurement process, significantly reduced cost to bid, facilitated access to the public procurement market for the SME's
  - **For the society** - *Accountability* and *trust* in the process of spending the public money, public money savings





# CURRENT AND FUTURE PLANS

- Stimulate and increase the use of electronic procedures
- Introduce e-Catalogues
- Introduce e-Invoicing and e-Payment
- Introduce Dynamic Purchasing system





**Thank you for your attention!**

- <http://bjn.gov.mk>
- <https://e-nabavki.gov.mk>

